

**RESOLUTION NO. 75110**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF FINANCE TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH LAVANTE, INC. TO PROVIDE AUDIT AND RECOVERY SERVICES**

**WHEREAS**, one of the key objectives of the Finance Department is to identify ways to reduce cost and enhance revenues for the City of San Jose ("City"); and

**WHEREAS**, the Finance Department assumed responsibility for the audit program that was initiated in 2006 by the City Auditor's Office; and

**WHEREAS**, on August 4, 2006, the City issued a Request for Proposals ("RFP") for recovery audit services to select a service provider to identify inefficiencies in the City's vendor payment process and assist departments with managing their vendor invoice and contract management related responsibilities; and

**WHEREAS**, two proposals were received; and

**WHEREAS**, the evaluation team, composed of the Finance Department and City Auditor's Office, concluded that the proposal submitted by Lavante, Inc. (formerly, AuditSolutions LLC) demonstrated superior experience and expertise and provided the best overall value for the City; and

**WHEREAS**, although the RFP was initially issued and reviewed in 2006, Finance staff believes that it is reasonable to award the contract based on Lavante, Inc. agreeing to

continue with its original proposal and the firm's demonstration of a key understanding of the City's requirements;

**NOW, THEREFORE,** BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The Director of Finance is hereby authorized to:

1. Negotiate and execute an agreement with Lavante, Inc. to provide audit and recovery services relating to the City's accounts payable vendor, disbursements and invoices for an initial term from the date of execution of the Agreement through June 30, 2010, with compensation to be paid on a fee recovery basis equal to 18% of actual claims recovered, subject to a \$100,000 maximum for any one claim realized.
2. Exercise three, one-year options to renew the Agreement, subject to the appropriation of funds.

ADOPTED this 29th day of September, 2009, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CHIRCO.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk